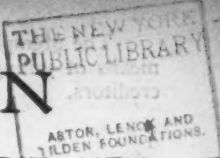


MONTHLY
BULLETIN
 OF THE
NATIONAL ASSOCIATION OF CREDIT MEN.

ISSUED FROM THE
 OFFICE OF THE SECRETARY-TREASURER,
 29-31 Liberty Street, New York.



V13

NEW YORK, NOVEMBER 5, 1903.

m. 10

CONTENTS.

	PAGE.
Meeting of Board of Directors	I
Assistant Secretary Stockwell's Work	I
Memphis Association Jails a Bankrupt	I
A Swindler Punished	2
National Convention at New York, 1904	2
Should a Collection Agency Call Itself a "Credit Men's Association"?	3
The Evil of Not Carrying Fire Insurance. Extract from "Morey's Bulletin." . .	3
National Association of Agricultural Implement and Vehicle Manufacturers Urges Membership in the National Association of Credit Men	4
Relations of Jobber and Retailer in Credit Reform. D. H. Kirkland of the J. K. Orr Shoe Company, Atlanta, Ga.	6
NEWS OF THE LOCAL ASSOCIATIONS:	12
Annual Report of President John T. Plummer, of the Denver Credit Men's Association	13
"Best Method of Handling Accounts of Debtors Who Are Good But Slow." Address by J. J. Rutka, of Clark, Rutka, Weaver Co., Grand Rapids, Mich.	16
"Life Insurance as an Element of Credit, and the Principles Governing Same." Address by Frank S. Treadway, of the Mutual Benefit Life Insurance Company, of Newark, N. J.	17
"The Power of Organization." Address of Assistant Secretary Stockwell before the Louisville Credit Men's Association	24
Report of Secretary S. W. Severson of the Philadelphia Credit Men's Association	26
Address by former President John Field before the Philadelphia Credit Men's Association	27
"Trusts and Monopolies." Address by J. P. Varnum, Attorney-at-law before the Rochester Credit Men's Association	28
Joint Committee to Confer with St. Louis Bankers on the Question of Clearing Country Checks	30
Distribution of "Fire Insurance an Essential to Credit." By St. Louis Association	30
A Misnomer! Take Notice!	30
Directory of Standing Committees	31
Directory of Officers of the National Association of Credit Men and Affiliated Branches	32

NATIONAL ASSOCIATION NOTES.

The Board of Directors will hold a meeting at the Auditorium Hotel, Chicago, Monday, November 23, 1903. Members who desire to bring matters to the attention of the Board are requested to communicate with the central office.

Assistant Secretary Stockwell has during the month of October covered the cities of Batavia, Aurora, Joliet, Danville, Decatur, Springfield and Cairo, Ills., and Paducah, Ky. He has also done considerable preliminary work in connection with this southern trip. Mr. Stockwell was very successful in securing members in the cities mentioned.

The Memphis Association is congratulating itself on having been the means of jailing a bankrupt under an order to surrender \$3,240 to his creditors.

A Swindler Punished.

SPLENDID WORK OF THE NEW YORK CREDIT MEN'S ASSOCIATION.

At the St. Louis Convention the statement was made that the New York Credit Men's Association was responsible for driving a swindling collection agency manager out of business and intended to have him punished if he could be brought within the jurisdiction of the New York City courts. How well they have succeeded is best told in the words of Mr. Bradford Arthur Bullock, the editor of *The Weekly Mirror*, as follows:

"AN INTERESTING CASE.

"Frank Lesclide, Treasurer of the 'Lawyers' Commercial Exchange,' 150 Nassau Street, was sentenced October 15th to Sing Sing for three years and three months. This is the first fruit of the crusade of the New York Credit Men's Association against 'fake' collection agencies. It is the opinion of the editor of the *Mirror*, from what he knows of the proceedings and the work done and necessary in order to bring proceedings in this matter, that Mr. Charles E. Meek, President of the New York Credit Men's Association, is entitled to much of the credit for the result.

"I have heretofore reported in the *Mirror* the co-operation given my work by Mr. W. A. Prendergast, Secretary and Treasurer of the National Association of Credit Men, and A. I. R. are no doubt aware of the activity of the National Association through their counsel, Mr. Quinby, in the investigation and prosecution of fraudulent mercantile failures."

National Convention at New York, 1904.

The New York Credit Men's Association is already actively at work preparing for the next convention and many plans are under way and a large part of the detail work finished. The program will, without doubt, be the most elaborate and unique ever presented to the credit men of the country, and those who fail to attend will be *heavy losers*.

The following committees have been appointed:

Special Committee on Convention of National Association for 1904.

R. P. Messiter, *Chairman*, Minot, Hooper & Co.
M. E. Bannin, Converse, Stanton & Co.
T. H. Bartindale, Philadelphia Casualty Co.
Charles Biggs, Actuary, Hat Trade Credit Assn.
O. G. Fessenden, Hayden W. Wheeler & Co.
G. S. Mariager, Parke, Davis & Co.
Marcus M. Marks, David Marks & Sons.
Wm. A. Prendergast, Sec.-Treas. Nat'l Ass'n of Credit Men.
W. E. Purdy, Chase National Bank.
A. H. Watson, Watson, Porter, Giles & Co.
Malcolm Graham, Jr., F. O. Pierce Co.
Ed. E. Huber, Eberhard Faber.
Chas. E. Meek, National Lead Co.

Entertainment Committee.

Chas. E. Meek, *Chairman*.
G. S. Mariager.
W. W. Lester.
Aaron Naumburg.
T. H. Bartindale.

Finance Committee.

M. E. Bannin, *Chairman.*
W. E. Purdy.
H. R. Towne.
E. E. Huber.
Marcus M. Marks.

Location and Hotel Accommodation Committee.

Malcolm Graham, Jr., *Chairman.*
Charles Biggs.
R. T. Fowler.
Wm. A. Prendergast.
Chas. E. Meek.

Should a Collection Agency Call Itself a "Credit Men's Association?"

The following letter which will be self explanatory was issued by the National Office to the local branches in the West and South:

OCTOBER 9th, 1903.

DEAR SIR:

Last week we received a letter from one of our prominent Chicago members, calling our attention to a concern advertising itself as McConnell's Southwest Credit Men's Association, with principal office in Oklahoma City, and offices in some ten other cities of that neighborhood. This letter was one of inquiry for the purpose of learning whether the Southwest Credit Men's Association referred to was really a credit association, or not, and if we had any knowledge of it, and of course to this I replied that we knew nothing of the concern.

On Monday we received a letter directly from McConnell's Southwest Credit Men's Association, asking if they could not represent us in the matter of collections, and suggesting that we recognize them in some way. From the advertising matter sent me I could come to no other conclusion than that it is simply a law and collection concern, and I told them very frankly that I could not understand the relevancy of the title they had used to the actual business in which they were engaged, for although collections form an important part of credit work, still they were merely making collections for others, their firm was not composed of credit men, and was not connected with credit men in any way.

I thought it advisable to bring this matter to your attention, so that you would understand, if you and your members should hear from McConnell's Southwest Credit Men's Association, that they are not connected with the National organization, and as far as I can learn are, as stated above, simply a collection agency.

Very truly yours,

WM. A. PRENDERGAST,
Secretary-Treasurer.

The Evil of Not Carrying Fire Insurance.

The following pertinent statement is taken from the October 24th issue of "Morey's Bulletin," a paper published by the enterprising C. S. Morey Mercantile Company, of Denver, Col., so long represented in the Credit Men's Association by Fred'k W. Standart. Particular attention is called to the offer of this concern to assist its customers in determining the standing of insurance companies:

"Fourteen merchants of Hot Springs, South Dakota, were burned out the other day. Ten of them carried no insurance. One of them carried but \$500 insurance on a \$4,000 stock; another had but \$800 on a \$2,000 stock.

"Business men who can well afford to do without insurance are the biggest patrons of the insurance companies. A merchant of limited means can not afford to do without insurance. The higher the insurance rate, the more the reason why a merchant should carry insurance.

"A fire may, in two hours, wipe out every dollar you have saved in twenty years, but a fire never wipes out a debt.

"You might as well leave your store unlocked at night as to get along without insurance.

"In the large cities, with the best of modern appliances for fighting fires and efficient fire companies, owners of the best constructed fire-proof buildings find it profitable to carry as heavy insurance as they can get on their property.

"Don't buy cheap insurance; there are unreliable insurance companies soliciting business as well as companies who are as sound as the Bank of England.

"We have facilities for determining the standing of insurance companies and will be pleased to give you the benefit of our investigation."

National Association of Agricultural Implement and Vehicle Manufacturers Urges Membership in the National Association of Credit Men.

The following report submitted at the Annual Convention of the Implement and Vehicle Manufacturers at Cleveland, October 21-24, will be interesting reading to credit men. The report was referred to the Executive Committee for action.

REPORT OF THE COMMITTEE ON CREDITS.

During the year that has elapsed since our preceding meeting the farming interests of our country have continued in a highly prosperous condition with the result that credits and collections by our customers and in turn by the membership of this Association have proven quite generally satisfactory.

The returns from the farms of the United States have been as a rule excellent, both in the abundance of the harvests and in the prices obtained therefor. The farmers have thus been stimulated to buy freely of implements and vehicles; dealers have consequently been able to make successful collections and these conditions have in due course been reflected in the satisfactory credits and collections of the manufacturers.

An unhappy feature as regards the situation of the manufacturers in all this is, however, that nearly all of their materials must be purchased for prompt cash, or on very short time, while a very large proportion of their product continues to be marketed on long time. Furthermore, the manufacturers, being compelled, owing to the nature of the business and the conditions surrounding same, to invest for a very considerable time in advance of the selling season spot cash in materials as well as labor, have not obtained a commensurate margin of profits.

It is not contended that the business of the manufacturers in the lines represented by the membership of this Association has not been profitable, but it seems pertinent to again record the fact that the advanced prices paid for materials and labor have not been accompanied by a

counter-balancing advance in the prices obtained by our manufacturers for their finished product. We have continued to be engaged in the patriotic and exhilarating pursuit of furnishing the best implements and vehicles the world ever used at the closest margins ever known, and as a trade, taken altogether, have maintained a sound and thrifty condition, although buying almost entirely for cash and selling largely on time. It is due all branches of the trade and particularly in the interest of sound credits and correct methods throughout to call attention to the fact that inasmuch as the prices of implements and vehicles have not in the past been advanced by the manufacturers sufficiently to cover the vastly increased cost of materials and labor encountered during recent years, neither can it be expected that a declining tendency in a few of the materials can for the present be registered in the prices of our output.

The implement and vehicle manufacturers, while having in point of volume of trade fully shared in the general buoyancy of trade during recent years, have had to shoulder so heavy a burden of the increased cost of manufacture and have shifted so little of it upon their customers that they, the manufacturers, are justly entitled to, and need, any and all lightening of burden that may be had for some years to come.

Your Committee on Credits has canvassed various suggestions submitted by its members concerning some proposed forms of mercantile agency service. The former Committee on Credits in the preceding annual report, expressed disappointment at the abandonment of the Red Book, which at one period was maintained by this Association, and it has been variously suggested that some substitute form of Credit Bureau be operated within our limits. For good and sufficient reasons, which are supported by the opinion of our attorneys rendered in 1901, it is clearly not expedient that this Association publish the Red Book or any other form of credit reference book. We address ourselves therefore to the two following suggestions: First, A proposal that our Association, through its Secretary, inaugurate a Bureau of Information pertaining to credits, which shall consist preferably of a card index system, our members each to furnish lists of the dealers in which they are interested or with whom they have had experience. It would then be possible by inquiry of the Secretary to obtain the names of all our manufacturers interested in or acquainted with any dealer. The inquirer would then correspond direct with the references so obtained. Under such arrangement this Association would neither receive nor disseminate any information affecting the credit of any one.

There are approximately 19,000 dealers in agricultural implements in the United States.

There are approximately 18,000 carriage and wagon dealers in the United States, and there are over 30,000 carriage and wagon makers in the United States.

There are also many thousands of hardware merchants, a large proportion of whom deal in implements or vehicles, or both.

Should the aforesaid proposed Card Index Reference Bureau be inaugurated, it is likely that nearly the total number of names thus indicated would be registered from among our membership, making a huge index indeed.

The sum total of good to be derived from such an index would of course depend upon the individual interest manifested therein by our membership. Using the words of another, such a bureau could demonstrate satisfactory power or results only in proportion as it would receive the earnest, impartial and thoughtful co-operation of our membership.

The labor and expense of this index would be considerable and might

be provided for by a fee upon each name registered and upon each inquiry made.

The second suggestion takes the ground that the Index Bureau just referred to above would necessarily be cumbersome and incomplete; cumbersome because of the vast number of names to be handled and incomplete because, it is alleged, experience has proven that universal co-operation cannot be obtained in matters of this kind. Those holding this view urge, instead, a recommendation that all members of our Association not already so affiliated become members of the National Association of Credit Men, whose service is believed to quite closely approximate the results aimed at in the first suggestion outlined in this report.

In brief the method of said Association of Credit Men is to record in the separate local associations the references of dealers known in said local market.

There is no national index, but only the local index of local scope. We are assured by several active members of the National Association of Credit Men that their system of local cabinets of clearing information has extended itself to several other cities and is evidence in itself that there is a growing demand for such a system of trade information. When the time arrives, and the credit men of the United States shall consider it necessary for said National Credit Men's Association to get behind such an idea, their association, they assure us, will not be slow in acting. In the judgment of this committee the service rendered by the established mercantile agencies is generally efficient and satisfactory, and the service available through the medium of the system now pursued by the National Association of Credit Men is one of growing value and deserving of hearty co-operation.

Should, in the judgment of our Association, any further service be deemed necessary or desirable, this Convention should so declare and indicate to the incoming administration our needs and desires with regard to either of the two plans mentioned in this report, or any better that this Convention may devise.

Respectfully submitted for the Committee on Credits.

C. F. HUHLEIN, Chairman;
J. A. CRAIG, Vice-Chairman;
EDWARD H. SLEIGHT,
C. G. ROWLEY,
W. H. RITCHIE,
WM. FETZER,
A. H. PATCH,
S. B. STOKELY,

Committee.

Relations of Jobber and Retailer in Credit Reform.

BY D. H. KIRKLAND, OF THE J. K. ORR SHOE CO., OF ATLANTA, GA.

From American Industries of October 15, 1903.

In your issue of September 15, I notice an article headed "Credit Reform." To a credit man the discussion of any means to improve credit conditions is always interesting. While I have ever advocated the closest unity between business houses and the credit departments and the frankest interchange of experience among those merchants interested in a common debtor, I cannot subscribe to the idea that the merchants extending credit throughout the country should constitute themselves into a National Credit League, if that League is actively to enter into the business of commer-

agency reporting. That reforms are needed, no credit man will doubt. If he does, let him glance at the array of statistical figures relating to failures that occurred in 1902, as reported by one of the leading commercial agencies, a recognized authority on this subject. There were 9,971 failures, with an aggregate of \$105,489,530 liabilities, divided as follows:

Due to	Per cent.	Liabilities.
Incompetence	20.4.....	\$18,776,208
Inexperience	7.2.....	5,436,426
Lack of capital.....	30.6.....	25,665,340
Unwise credits	2.8.....	6,247,979
Failures of others.....	2.8.....	3,322,898
Extravagance	0.9.....	819,743
Neglect	3.0.....	1,713,168
Competition	3.8.....	1,797,043
Specific conditions	7.7.....	26,908,133
Speculation	1.0.....	6,238,205
Fraud	10.1.....	8,534,187
Total		105,489,530

Analyzing these figures you will note not one of them was within the control of the credit man, nor could they have been prevented by him even with ultra care or conservatism; because if they could have been prevented, *they would have been*. The above figures, amounting to \$105,489,530, are the net deficit in spite of the credit man's effort to prevent them. Only about 16 per cent. of these losses might have been prevented by the debtor himself. There are unwise credits, 2.8; extravagance, 0.9; neglect of business, 3.0; speculation, 1.0, and fraud, 10.1; therefore, 84 per cent. of the losses are beyond anybody's control.

FIGURES ALMOST BEYOND COMPREHENSION.

One of the most striking facts in the economic history of the United States for the past forty years is that in each decade the losses by failures have equalled one-half the capital employed in manufacturing and mercantile pursuits. In the ten years from 1890 to 1899 inclusive, the proportion of bad debt loss to capital employed was even greater. It amounted to the stupendous sum of one billion eight hundred million dollars. In order more readily to grasp the meaning of these figures a few comparisons will be of value.

It was more than three times the capitalization of all the national banks of the country.

It was five hundred million dollars more than the fire losses reported during the same interval.

It was nearly equal to the entire sum of money in the country, which, according to the report of ex-Secretary Gage, was two billion two hundred and fifty million dollars.

It is difficult to comprehend what is included in this array of facts and figures. It staggers me to read of the immense loss of bad debts. The wonder is that as many persons succeed in business as do, considering the chances taken in selling goods; the meager information upon which it is necessary for the credit man to predicate his decision.

It is pertinent to ask, are the foregoing results the effect of too meager credit information or the over-eagerness to sell, which makes credit so cheap? If it is the result of too meager credit information, are not the merchants to a certain extent responsible for the meagerness by withhold-

ing information from the organized agencies, the acknowledged channels through which mercantile information is transmitted, in the mistaken idea that in secrecy and in the withholding of information from the trade generally they control the trade of a customer. If, on the contrary, these results follow an over-eagerness to sell, can the formation of a credit league control that over-eagerness and prevent these astounding results?

The great anxiety to increase the volume of business, the jealousy of each other, and the natural cupidity, inherent and inborn in all of us, have brought about a state of affairs that is anything but complimentary to those who indulge in it. The failure of the agency to furnish us with information that we desire, upon which to predicate a credit is not wholly chargeable to them, if merchants feel that such information is wrongfully placed in their hands. Who has a better legal or moral right to these confidences than the commercial agencies? In whose possession can these confidences be placed where the general results to trade would be better than with the recognized commercial agencies? It pleases me to assert that I have never withheld such information, nor have I ever given it under protest.

Credit is too cheap, and its increasing cheapness requires additional safeguards in the shape of more detailed and specific information concerning a certain risk. On every side we hear the old story of going into business with a few hundred dollars, and by the end of the year owing several thousand, with most of the assets outstanding. Once a retail merchant's capital is on his books, and it is only a question of time when he will go under, as he can never figure on prompt collections, but is always asked to meet his maturing bills. For a little while he may manage to buy from one merchant, when his line with that merchant is full; based upon a show of success he easily transfers his account, while owing his original creditor, to another over-zealous merchant desiring to increase his trade. In the course of a little while he becomes slow with his second creditor, and must transfer to a third, and so on down the line, until his reputation for slow pay is established, and then his doom is sealed; it is only a question of what job or jobbers will be the victim and to what extent.

These results are of simple explanation; it is the same the country over. A retailer need never refer to a jobber; all he needs is to let the over-zealous salesman know from whom he has bought goods and the balance may be safely left to the salesman. The reasoning in the majority of cases is about as follows: "If A can carry this account, why cannot I carry it? Why should I bring the fact to A's attention that his customer is about to divert his trade to me?" Discretion, secrecy, diplomacy, if you please, is looked upon as sound business doctrine. Information, instead of being freely circulated is withheld. Sooner or later comes to the surface the startling intelligence that a bankrupt who has been buying from a dozen different jobbers, victimizing them all, has credit extended to him beyond all reason and beyond anything to which he was ever entitled.

If we feel inclined to charge these results to insufficient practical credit information received through the commercial agencies whom we pay for this service, is not their inability to furnish this information so much to be desired largely chargeable to that class of merchants who feel that in giving valuable information to the mercantile agencies they are doing so under protest? Is it not due to a large extent to that old credit system of secrecy and self-delusion which was in vogue twenty-five years ago? What a commentary on the selfishness and egotism of the man who believes that he is better prepared, more experienced and more invulnerable than his fel-

low merchants, and that his information is more valued or more valuable than that which *he* can derive from all his competitors combined! Credit would not be so cheap, nor losses so high, if a rigid system of interchange of reports were thoroughly carried into general practice. There is no better way of learning a merchant's credit worth than by comparing notes with his creditors as to what he owes in all the markets in which he buys. There is no better way of finding out whether or not a man's line is full than by competing trade centers comparing notes as to his debts, purchases and methods of payment.

THE MERCHANT'S LINE OF INDEBTEDNESS.

Every credit man knows how highly the craft regard a late property statement. We all want them, ask for them ourselves, and demand them of the agencies. When we have them, how often are we unable to select the truth and cast out the errors or misstatements? We cannot even verify the figures showing indebtedness for merchandise; hence our statements are frequently valueless for practical results. With a proper organization for systematic interchange we can make this one item of information of great practical value, verifying that most important item which would in turn give the seal of truth or the stamp of falsehood to the whole document, as it verified or contradicted this item of merchandise indebtedness.

Experience teaches us, and we realize more and more each day, that we cannot know too much about the dealers to whom we are obliged to give credit. The more we know about them, the less we will lose on them. This being true, why not assist one another by intelligent means to keep down our losses by systematic co-operation in credit matters? Are we to be continually prevented from doing so by jealousy or selfishness? Losses can be averted by co-operation and organization among merchants. To reach these results absolute honesty, systematic handling, and accurate compiling are the underlying principles. Direct inquiries of merchants known to be handling, or haphazard reports, will not fill the bill. Utility must give way to principle. "No one can longer expect to make money out of duplicity. Mercantile agencies may through their ramifications furnish us reports that may be used for signals of care and prudence." But reports that come to us showing in figures the line of a merchant's indebtedness, the record of his season's purchases, the number of jobbers with whom he deals, the manner in which his payments are met, and the general characteristics of his account, are far superior to my mind to all other reports. Taken in connection with the information otherwise obtained these reports will have a tendency to decrease our losses, not only in the percentage, but in the aggregate. The time, in my mind, is ripe for this fact to be admitted and steps taken to bring about co-operation in line with methods and ideas in keeping with the advanced thought of the day. It is only by knowledge of these facts that the credit man saves himself. True, the bankruptcy court marshals for all creditors so much of the assets as are left, but saves little for the individual creditor. It is the same old proverb, "An ounce of prevention is worth a pound of cure." Knowledge of the facts applied with rigid firmness, unswayed by sentiment, keeping all your customers' accounts under continued surveillance and always well in hand, is the ounce of prevention necessary in this case.

NEEDS OF A COMPREHENSIVE SYSTEM.

I believe in co-operation and am an enthusiastic member of the National Association of Credit Men. I am proud of the grand stride that Association has made in bringing about better and safer conditions for the exten-

sion of credit. I believe in doing all that lies within my power to cure the many abuses that have crept into the credit business. I believe that the National Association of Credit Men is the instrument with which we can accomplish most of the results we expect to derive by co-operation and organization. I heartily endorse the movement of the National Shoe Wholesalers' Association of the United States to bring about a more systematic and uniform method of interchange of credit information. Recognizing the necessity for an equitable interchange of experience of ledger facts as the best safeguard against losses, I am an earnest advocate of the general use of the Credit Clearing House. The interchange of credit experience seems to be growing in favor with each year, and the value of a good trade report cannot be exaggerated. Trade information secured through direct inquiry from interested merchants might probably be satisfactory, provided, first, that a full list of creditors could be always obtained; and, second, that all credit men would answer unreservedly. The use of the direct inquiry blanks in all cases would result in developing a system too cumbersome to be practical. Local organization is good as far as it goes, and one may heartily indorse the trend in that direction; but no market is sufficient unto itself, and the dependence of one market upon other markets makes it evident that the greatest good can only come through a system broad enough and flexible enough to permit intercommunication among markets with the same facility that such communication can be had through individuals.

We must soon appreciate that the rules governing credits of a few years ago will not longer apply, especially in the South. With each addition to our growing transportation facilities the markets of the world become more accessible to each country merchant. The possibility of his extending his trade in any direction is greatly enhanced, and therein lies the danger, unless we are prepared to interweave all markets in one grand system, whereby the trade record of our customer in one market is readily accessible to all other markets.

The result for which all credit men are looking is the means by which we can weed out of trade the undesirable merchants who victimize first one and then another of us. I have long since been convinced that the millennium of the credit department will be found only in the equitable and complete interchange of credit facts among the interested creditors, handled by those experienced in the craft, insuring accuracy, proficiency, promptness and success. That would prevent the possibility of ever buying in the aggregate and the use of many different markets without creating suspicion of ulterior motives.

WHERE THE HONEST MAN COMES IN.

The foregoing have been my views as a credit man. All that I read from other credit men seems to take only the view of the credit man, of the conditions that we desire to change for the better, and draw our conclusions from the results as they affect the credit department of the wholesale houses and the manufacturers. Few articles that I have read emanating from credit men have ever touched upon the real interest that his retail customer has in the conditions which we are attempting to ameliorate. Have we all lost sight of the fact that our own success depends much upon the success of the retail merchant? Then, in this grand scheme of organization and co-operation, why should we not invite this interested element to join? They would readily ask what they were to gain by co-operating in an organization whose ulterior motives were to gather the most definite information concerning themselves. Let us answer them by pointing to

the fact that every failure in their community, be it honest or unfortunate, affects their trade deleteriously. What greater disaster could happen to the honest retail merchant than to have his chief competitor fail in business, to have this competitor's stock thrown upon the market during the best season at a ruinously low price, the same goods sold at retail for less than cost to him? For the time that this stock is on sale his own trade is reduced to a minimum, and his paying possibilities curtailed to the lowest ebb. What is the object of the organization that is contemplated? Is it not to prevent undesirable dealers from purchasing the same goods as the worthy one, and reduce the possibilities of failures; to weed out of the trade the dishonest and unscrupulous merchants who buy for the purpose of swindling, and whose stock under such conditions is thrown upon the market at a ruthlessly low price, preventing the honest competitor from reaping the reward and profits that belong rightfully to him? And is not the retailer equally interested with his creditor in preventing such conditions? If organization and co-operation are to accomplish the results looked for, why should we not invite our customers to join in this ideal co-operative plan of disseminating the most accurate information?

Has not the retail merchant a right to know something of the jobber from whom he buys, something of the jobber who offers him his goods? Has he not as much right to know the jobber's reputation for filling his orders with promptness and accuracy in accordance with the samples displayed, and his reputation for fulfilling his promises, as has the wholesaler to know something of the prospective customer's habits of payment and general reputation for living up to his obligations? This being conceded, let me give you an idea at present very much in the concrete!

PRACTICAL PLANS OF REFORM.

If the manufacturers and the wholesale dealers are to organize and co-operate for the interchange of credit information, by all means let us invite the retailers to join in the organization, which has for its object the upbuilding of trade upon a better and more secure foundation. Let us make it one of the conditions of his joining our organization that he shall furnish a statement of his financial condition, *his ability to pay, and his right to buy*. No honest, worthy dealer will object to making such a showing. Many object to making statements upon the ground that the statements when made seldom secure for them the basis for credit to which they are entitled. If we can form an organization with a full and free interchange of credit information, are we not prepared to guarantee the retail merchant who joins with us and furnishes us his statement of his financial condition; and his reputation entitling him to become our customer, his statement being verified, shall we not bring to him the benefit which will accrue to an established credit? When we have once established a bureau, in which shall center all credit information from the sub-bureaus established throughout the country in the hands of those trained for their particular work, insuring its accuracy, promptness and efficiency, let us add to these ledger facts the statement furnished by our retail merchant and a verification of our local reporter, in order that all credit reports that shall come to us will contain, not only the ledger facts in detail as now offered by that co-operative agency known as the Credit Clearing House, but supplement that information by the signed statement of the applicant for credit, verified by the investigations of our local agents, still further accompanied by that local agent's report of the surrounding physical conditions of the trade in the territory wherein the prospective customer is located.

If uniform reports containing the salient facts necessary for the

credit man to predicate a credit thereon can only be gathered through the means of the organized co-operation among the wholesalers and manufacturers, then by all means let us invite the retailers to join us and thus assist in the upbuilding of the honest, intelligent merchant of the country and the eventual weeding out from the trade of his dishonest, irresponsible brother, who has ever been a menace to the trade that we all seek.

This plan is not wanting in feasibility if we can only eliminate selfish jealousies in our own ranks. That is the problem; once accomplished, the balance is easy sailing. Will the desire to build up our own business at the expense of our competitors be too strong for earnest, honest, straightforward co-operation which can only result in benefiting the commercial interests of the country? This is a problem which I shall leave to time and the efforts of the National Association of Credit Men.

NEWS OF THE LOCAL ASSOCIATIONS.

Chicago Credit Men's Association.

The regular monthly meeting was held at the Auditorium, on Wednesday evening, October 21, 1903. Addresses were delivered by Hon. George Edmund Foss and John E. Gardin on "Foreign Commerce and Exchange." Also "Returned Goods," by John M. Low and Heyliger A. de Windt.

Mr. Gardin said: "We hear much about a foreign invasion, and it is to be regretted that a natural development of business should be given a title which must be offensive to the already oversensitive feelings of all nations with whom we come in competition. The consequence is that instead of enabling us to enter the commercial field with only sentiments of friendly rivalry we are confronted at the start with a spirit of antagonism which stops at naught to throw us off the track.

"And, moreover, this foreign invasion business is in a great measure a myth and really is to be considered only as an outlet for surplus stocks. For that reason alone are the continent of Europe and the tight little isle concerned about our money conditions over here, and a depression in America is dreaded by Europe perhaps more than it is by us. For the well-grounded fear prevails that in such an event the European markets will be flooded with a mass of products at such low prices that a serious interference with their own commercial relations will result.

NEARING PERIOD OF OVERPRODUCTION.

"It is evident that we are now approaching a period of overproduction, and we all know what that means under ordinary circumstances—that is, under conditions which governed commercial enterprise ten or fifteen years ago. Overproduction then stood for stagnation, a retrograde movement that filled the hearts of men of affairs with despondency, if not with abject terror. I say this was the condition of affairs a decade or so ago, but it does not follow that the same condition of affairs will confront us in the future, thanks to the energetic movement of the modern commercial mind, which recognizes no geographical lines or boundaries.

"Home consumption, of course, is the kind that enriches, aided, perhaps, by the beneficence of a democratic, though patriarchal, government, but the home demand is not always the same, and sooner or later becomes a saturated solution, if I may use a professional term, and then loses its absorbing qualities. But does that mean that the factory has to

close, that the merchant has to abandon business? By no means. We have the world at our feet, and if our own people can no longer consume what we are producing we still have a foreign market wherein to dispose of our surplus product.

PREDICTS COMMERCIAL EXPANSION.

"We then, of course, go into competition with the world, with a necessary curtailment of profits and a corresponding decline in the earning power of labor. But, fortunately, with the labor-saving appliances in such general use, the American nation need not fear the outcome. The high average intelligence of our workingmen, coupled with our modern appliances for economical and thorough production, ought to meet with results that would put to shame the products of the most ill-paid foreign labor. The English and Germans have captured the world's markets, and it is sad to relate that the American has been placed at a disadvantage because of his inadaptability to foreign wants and foreign customs."

Congressman Foss also spoke of the country's foreign trade.

"We are on the threshold of a greater commercial expansion than we have ever known before," he said. "We have all the natural resources for success. We have muscle, brawn and bravery; we have the spirit of initiative, the nerve and the daring to win foreign markets. Commerce will be the great watchword of the future. Our exportations to China have increased marvelously. The people of the Philippines, as they progress, will be a source of trade for us. The regeneration of China and the opening of her ports will bring more foreign trade. Standing as we do to China, by reason of our diplomacy, this country will have a splendid chance of securing the trade in this enlarging field."

"To aid the cause of expansion this country can make reciprocal treaties, reorganize our consular service and rejuvenate our merchant marine. This is an important question. We must do something to build up our merchant marine, because we have been gradually losing the carrying trade of the world."

Denver Credit Men's Association.

The annual meeting of the Denver Credit Men's Association was held on the evening of October 12, 1903, with a large attendance.

The following report was submitted by retiring President John T. Plummer, one of a long line of active and able executives who have presided over the Denver branch.

ANNUAL REPORT OF THE PRESIDENT.

To the Members of The Denver Credit Men's Association:

In conscientious co-operation lies the hope of all definite reform and advancement in mundane affairs.

Nothing of permanent value is accomplished by other means, always excepting the good done by individual precept and example in moving the mass. Any associated effort which makes for better commercial conditions is of value in the business world. A higher standard of ethics is forever to be sought, and our association is only one of many engaged in a laudable work.

The seventh year of this organization is closing and shows a membership of 145. This is larger than in any previous year. There were 28 resignations and 31 additions to the membership. The resignations do not seem to reflect discredit upon the work of the association, and are due to natural causes, such as retirement from business, lack of local

organization in cities outside of our immediate field, the formation of a separate association among the produce men, etc. The cities of Pueblo and Colorado Springs will doubtless again show a live interest in our work after one or more additional visits on the part of our Secretary or members who will spare the time to call on those who do not yet appreciate fully the advantages of active co-operation. I recommend the expenditure of funds for this purpose, believing our treasury will benefit thereby, and feeling assured that new members will realize handsomely on their investment.

REPORTING BUREAU.

The Reporting Bureau continues to increase in value as a feature of our work. The membership is 90, being the same as reported a year ago. No doubt an early increase will be shown in this department, as steps are being taken to further promote its usefulness. It is recommended that new members who might use the bureau be given a trial of its benefits for a limited period without obligation. This should encourage all credit dispensers in a given line to test the merits of our service on the principle of "No cure, no pay." But all must bear in mind that each shall bestow benefits in kind for what he receives.

The Reporting Bureau record shows 7,008 inquiries received during the year, as compared with 5,860 in the previous year, an increase of 1,148. The reports issued number 62,017, as against 52,678, an increase of 9,339. These figures are as significant as they are pleasing, and reflect credit upon the faithful employees who have collected and distributed so much confidential information without dissatisfaction in any quarter.

Inquiries Received.		Reports Issued.	
October, 1902	549		6463
November, 1902	381		4503
December, 1902	358		3472
January, 1903	748		5655
February, 1903	527		5226
March, 1903	636		5988
April, 1903	738		6263
May, 1903	509		3906
June, 1903	551		4860
July, 1903	720		5307
August, 1903	545		4306
September, 1903	746		6068
	7008		62017

PROPERTY STATEMENTS.

During the year there have been received 515 signed property statements, representing about 18 per cent. of the number solicited. In view of the solicitation having been entirely by mail the record must be considered very satisfactory.

PROSECUTION FUND.

The prosecution fund again shows an increase, the amount under subscription being \$4,885, as against \$4,190 a year ago. This is after deducting the expense of successfully prosecuting the Steinborg case, entailing an assessment of 7½ per cent. The details of this case were fully reported at the time in the public press, and doubtless had the desired effect of deterring would-be credit abusers from trespassing in the field occupied by the Credit Men's Association.

LETTERS.

A valuable feature of our work this year, inaugurated in November last, upon the suggestion of ex-President Standart, is the letter system of reminding delinquent debtors of their obligations to members of the association, and the publishing of lists of delinquents failing to respond promptly to the courteous suggestions contained in the letters. The amount represented by these letters is \$41,185, and of this amount there was paid, as a seemingly direct result, \$17,321. This feature alone would appear to make valuable a membership costing only \$12 a year, as the association furnishes all of the printed matter necessary.

Not fewer than 100 members have made use of these letters, an indication of their usefulness that is unmistakable.

During the year we have lost by death two associates whose quiet, but effective personality had endeared them to many, and made their co-operation valuable to us all. Such men as Rudolph Burck and John A. Moore are missed when they pass away, and their monuments are in the affectionate remembrance of their fellows.

Our annual membership dinner at the Brown hotel was not only largely attended, but marked by the most cordial good feeling, a pleasing augury for succeeding occasions of this character.

ANNUAL CONVENTION.

A delegation of six prominent members was sent to the annual convention at St. Louis, and as one important result of their attendance and activity a member of our association is again on the directory of the National Association, Charles D. Griffith, succeeding Frederick W. Standart, who declined re-election, generously preferring the honor for Mr. Griffith, who has won distinction for his masterly handling of the Bulk State Law, now on the statute books of Colorado. This legislation, it is hoped, may prove of signal and lasting benefit to all honest merchants, wholesale and retail, as it is mutual in its provisions and not intended to clog the wheels of business or result in unfair discrimination.

FINANCES AND GENERAL MATTERS.

Our finances are in the best of shape, although we have expended considerable sums in printing and distributing literature of importance, such as copies of the Bulk State Law, collection letters, lists, etc.

We have felt able to assume an attitude of willingness to co-operate with the National body in the matter of increased per capita dues in case such increase is declared to be feasible and important by the forthcoming annual convention in New York City, to which body the matter is to be referred.

Our regular meetings have been attended by an average of 15 per cent. of the membership, and this is perhaps equal to the experience of other associations of like character. The midsummer meeting called to greet Assistant Secretary Stockwell of the National Association, in July, was an occasion of much pleasure to those who attended, and we hope an encouragement to Mr. Stockwell.

Our new quarters in the Colorado National Bank building are commodious and comfortable, affording room for large meetings without disturbance, and capable of yielding considerable revenue if rented on occasion to other organizations wishing such conveniences as we can offer.

It is my pleasure to thank most heartily the good members who have helped to render my administration, not a burden, but a labor of affection.

JOHN T. PLUMMER,
President.

New officers for the ensuing year were elected as follows:
President, C. F. Freeland; vice-president, J. W. Howard; treasurer, R. R. Gillette; secretary, W. C. Hall; directors, C. D. Griffith, D. G. Bolton, L. B. Bridaham.

The association then listened to an address by Attorney W. Scott Bicksler on amendments made to the federal bankruptcy law of 1898. The speaker pointed out the benefits derived from the changes from the original law and answered numerous questions.

Grand Rapids Credit Men's Association.

The monthly meeting of this Association was held Tuesday, October 26th, and was the best one so far held.

The Entertainment Committee arranged a lunch at the new Lakeside Club (which by the way is one of the finest clubs of its kind in the country), and afterwards had a program which was of benefit to all.

Mr. J. J. Rutka, of Clark, Rutka, Weaver Co., hardware dealers, read a paper on the "Best Method of Handling Accounts of Debtors Who Are Good But Slow," in which he suggested several ideas for handling this class of accounts, as follows:

Gentlemen: You have given me a subject which has bothered credit men for a great many years. The subject is "Best Method of Handling Debtors Who Are Good But Slow." I have never found any uniform rule by which an account of this kind can be handled.

Each individual case usually requires different and separate treatments. We have on our books a few just such accounts, good but slow pay. In most cases we find that writing personal letters from time to time to the head of the firm of such an institution, and setting a definite amount which we want him to send at a stipulated time has the best results. As far as possible a personal interview is desirable. We find people of that kind frequently pay promptly in certain directions, while they let other accounts run along. This is often done, as we have discovered, in this way: A firm will pay the man who presents the best case, before they will pay the man that uses ordinary methods. We have a case of that kind on hand just now. A firm owed us an account. They are good for ten times the amount they owed. They did not pay us, because they claim we did not need the money as badly as some one else whom they owed. A personal interview, however, has resulted in making an arrangement with these people, whereby they have paid us a part immediately, and a stipulated amount every two weeks thereafter, so the amount is paid up, and it was done with the best of feelings on both sides, and they continue to send us their orders daily. We find that by adding interest to overdue accounts frequently helps the case.

We have found that coaxing letters in most cases are the best, and next to a personal interview the most effective. In most cases we have pleaded that we were very hard up, and needed the money, and that has had its effect. We rarely ever find that a demand accompanied by a threat has ever done any good. It may help to collect an account, but it loses you a customer sure. Still there is now and then a case where even a law suit has to be resorted to. We have also found that where a customer was good but slow pay that by holding up his orders, and writing him that, until he paid the old bills, his new orders would not be filled, has in some cases a good effect. You see, therefore, that there is no rigid or regular set form which can be followed in a case of that kind.

We have a customer whom we consider good that will never pay a bill until the same is handed to a collector, or a justice of peace, nor will he buy any goods after the account has been running 60 days until such

an action is taken. This man will come to town regularly on receiving a notice from the collector, and pay his bill, and on the same day present the receipt at our office and buy more goods. We have repeatedly told him that we could not sell him goods at as close a price as if he paid in regular time, but it seemed to make little or no difference to him.

In this connection I wish to say that we have some customers who take extraordinarily long time, but are perfectly good, to whom we have written that if they continued to take such extra long time we would have to charge them more for their goods; and in making the invoice we add 5 per cent. to the net amount of the invoice, and write them with the invoice, saying, if paid in 60 days they can deduct the extra charge; if paid in ten days they can deduct the cash discount in addition to such deduction; but if the account runs more than sixty days the total charge will stand. We have found this method very beneficial in some cases. This method, however, has to be used with caution, as it will not work with everybody.

I find, however, that the coaxing method is perhaps the very best one in ninety-nine cases out of one hundred.

The subject was also thoroughly discussed by a large number of the members present, thus bringing out some novel ways of handling this vexatious class of accounts.

Mr. H. D. Norris gave a short address regarding the methods of the "Sheldon School of Scientific Salesmanship."

Following this, Mr. Robt. Merrill entertained the Association with a few of his best stories.

From the attendance and interest manifested at this meeting a stronger organization than ever before is anticipated.

Kansas City Association of Credit Men.

Johnston's Café was the place, and October 17th the date, of a large and successful meeting of the Kansas City Association. President John L. Powell presided, and introduced the speakers; the following program was carried out to the letter:

"Life Insurance, an Element of Credit," Frank S. Treadway;

"A System of Bookkeeping for Country Merchants," Henry C. Nelson, Sherwin-Williams Paint Company;

"The Retail and the Wholesale Dealer; a Plea for Co-operation," Elisha Winter.

"The Sister States, Kansas and Missouri," James Lillis, President Kansas State Association Retail Dealers.

"The Congress of the United States," Hon. Wm. S. Cowherd;

"Commerce is Peace, Not War," Rev. William Carter, First Presbyterian Church.

Mr. Treadway's speech was especially interesting, and is herewith given in full:

LIFE INSURANCE AS AN ELEMENT OF CREDIT, AND THE PRINCIPLES GOVERNING SAME: A PAPER READ BY FRANK S. TREADWAY, OF THE MUTUAL BENEFIT LIFE INSURANCE COMPANY, OF NEWARK, N. J., BEFORE THE KANSAS CITY ASSOCIATION OF CREDIT MEN, SATURDAY EVENING, OCTOBER 17, 1903.

Insurance upon the life of an individual, made payable to his estate, or upon the lives of members of a firm or corporation, for the benefit of the firm or corporation, add to their credit, for the reason that it furnishes indemnity in a certain amount for the loss of a life that is essential to the

success of prearranged plans, which are sure to be disturbed by the death of any one of the parties thereto.

The death of any producer just as surely entails loss upon some one as the night follows the day, and it is a well-recognized fact that life insurance furnishes the best means for protection against loss due to premature death.

The idea of partnership insurance has been endorsed by Mr. Charles Clark, President of the Bradstreet Company, who said: "It is practically beyond doubt that such action strengthens the credit of the firms adopting it. The increased confidence which it establishes is recognized in the commercial community and thus reflected through our reports."

ENDORSED BY HIGH AUTHORITY.

Now, let us consider briefly the reasons for the growing confidence in and popularity of life insurance, and its adaptation to modern life—in a gathering of this character I do not deem it necessary to present any arguments in favor of insurance; but there are principles involved in which you all are, or should be, interested, and it will not be out of place to briefly trace the history and principles of life insurance.

DeMorgan, an English mathematician of the period 1806-71, said:

"Life insurance, although based upon self-interest, is the most enlightened and benevolent form which the projects of self-interest ever took, and, divested of its technical terms and commercial associations, it may be presented in a point of view that gives it strong moral claims to notice."

BASED UPON SELF-INTEREST.

That there should be lack of knowledge on the part of mankind in general, as to the principles of life insurance, is perhaps not strange, when we take into consideration the remarks of our own (then) Insurance Commissioner, in an address before the Fire Underwriters' Association at Chicago, in September, 1902, himself, "a sound fire insurance lawyer, who has had a large experience and unusual success," in which he calls attention to the fact that the 114 fire companies doing business in Missouri had "paid back to our people" 76 per cent. plus of premiums received. Whilst quoting the figures of only four life companies, he finds they only returned 30 per cent. plus, and asks "what became of the balance?" and says he don't know, but he supposed that "it was benevolently assimilated."

PRINCIPLES NOT GENERALLY UNDERSTOOD.

Had he known more of life insurance, or had he consulted the reports of his predecessors, he would have learned that the payment by the citizens of Missouri of nearly 5½ millions of dollars to four life insurance companies in 1901, not only secured the payment of \$1,647,000.00 in that year, but kept in force contracts which call for the ultimate payment to his fellow citizens of \$165,243,786.00, and that this vast sum will be paid at maturity, in proportion as premium payments are made, is as sure as anything human can be, and is not doubted by any one who is well advised.

Lord Bacon, on the opening of Queen Elizabeth's Parliament, in 1558, said:

"Doth not the wise merchant in every adventure of danger give part to have the rest assured?"

He no doubt referred to marine insurance, of which we find mention in history prior to 1384.

HISTORY.

Practical fire insurance had its birth in London in 1666, after the great fire of that year.

A table showing the expectation of life was constructed as early as 222 A. D. by a famous Roman jurist. It is believed that his data was secured from the records of the lives of annuitants under the Roman Falcidian Law to better fulfill which the table is said to have been constructed.

During the Seventeenth Century further progress was made and more perfect mortality tables formulated, until at present the tables in use in this country by most of the companies, are based upon the experience of the past sixty years of life insurance in the United States.

Annuities were the forerunner of life insurance, reference being made to them in Rome in the year 40 B. C.

In comparatively recent times the Governments of Great Britain and Holland raised funds for public use by the sale of annuities.

There is a saying that "annuitants never die." The fact that such persons do live usually to extreme old age is due to the facts that: 1st, only those who are confident of living many years buy annuities, consequently persons in good health; and, 2d, having a stated income provided for the remainder of their lives, they are relieved of all care as to their future, and their life is prolonged, for we all know, "it is not work, but worry, that kills."

Near the close of the seventeenth century several ventures in life insurance were made, but were limited in scope.

It was not until 1762, in London, that the first company was organized that rated its members according to their age (the old line plan), and that company is still doing business.

In this country, as in Europe, annuities were the first form of life insurance. What is known as The Presbyterian Ministers' Fund, of Philadelphia (since 1759, when it received its charter as a life insurance corporation), was originally chartered in 1717 as an annuity and benevolent association. It is still doing business, having been conducted on the old line plan, but confines its membership to clergymen.

I am indebted to the American College of Insurance of Cleveland, Ohio, for the foregoing historical facts, which are given in their course in much greater detail.

Life insurance began in earnest in this country in 1843.

Of the 48 level premium (old line) regular companies, of to-day,

22 were organized prior to 1861;

11 " " from 1861 to 1870, inclusive;

15 " " " 1871 " 1899 "

DIFFERENCES IN CONTRACTS.

It is within the truth to say that no business has men of greater ability than those who are at the head of our life insurance companies.

"Level premium life insurance involves accumulation, and in the handling, division and application of such accumulations many nice points in equity arise, their solution depending largely upon the viewpoint of the managers, some of whom take a commercial view of the business, while others look upon it as almost a philanthropy.

"A policy of life insurance is a contract which differs in very important respects from other contracts. As a rule, when two parties are about to enter into business relations they meet and discuss the terms of the proposed agreement, the respective parties seeking to protect themselves

as fully as possible, and the contract is not completed until it is satisfactory to both parties. In life insurance the contract is drawn by the company, and too frequently a man assumes that companies are about alike, and that he need not concern himself about the policy contract. This may have been the case in the early days of life insurance. When the business was still in its infancy it was considered necessary that the insured should continue payment of his premiums during his lifetime, or for the full term called for by the policy contract, and that if he should fail to do this the reserve value of his policy, which had been accumulated by the company from the premium paid by him, should be used for the benefit of the persistent members. As, however, the companies acquired more experience, it was seen that these reserves morally belong to the individual policyholder, and that if for any reason he should cease to be a member of the company, he is entitled to the reserve accumulation upon his policy under such conditions and in such form as will not impair the interests of the remaining members. It is this fact which has led to the main differences in the policies now being issued by the several companies."

PRINCIPLES EASILY UNDERSTOOD.

It is of the highest importance to the welfare of life insurance, that the principles which lie at the foundation of the system should be understood by the public. Nothing is so much needed to-day in connection with the business as an aroused and watchful public opinion. While the trained expert is needed to methodize and control its numerous details, its underlying principles can be easily made plain. If the management of companies claimed the attention of the vast number of persons directly interested in their safety and prosperity, the business would be surrounded by a powerful and conservative influence.

A life insurance policy is in every case an important provision for the future. In a great majority of individual cases it is the most important provision, as observation has shown that it quite commonly constitutes the principal, if not the sole support of a bereaved family.

It is necessary, therefore, that the provision shall be absolutely safe, and that the cost of securing it shall be as light as possible. A person having insured his life, and having obtained a policy containing equitable conditions, may be said to be concerned only as to the safety of the protection and its low cost.

The calculations in life insurance rest upon three assumptions, and the safety of the business is in proportion to the fulfilment of these assumptions.

FIRST.—It is assumed that a given number of deaths will occur each year, or, in other words, an assumption is made of the amount of death losses which will have to be paid. Carefully constructed mortality tables, which have the sanction of the scientific world, are the guides in determining this assumption.

SECOND.—As a policyholder grows older his liability to die increases, and hence the cost of insuring him increases. If he were charged the actual cost each year, he would be compelled to pay a constantly increasing premium. Few would be willing to do this. It would not only become inconvenient, but if the insurance were continued many years the cost would grow so large as to be almost prohibitory. To meet this difficulty, the cost of the whole period is averaged and a uniform yearly premium is charged, and allowance is made for the interest on the money which accumulates in the hands of the company. This method, known as the level premium system, of preventing a yearly increasing cost by averaging premiums, is so clearly necessary, and at the same time so advantageous,

that the mere statement of it is sufficient to establish its expediency. It becomes necessary in the calculation of average premiums to assume that a given rate of interest will be earned. This is the second assumption.

THIRD.—An assumption must be made of the cost of administration, and the cost of securing the business. This, which is technically called the loading, is the third and last assumption.

It is evident from this explanation that if these three assumptions are made good, the payment of the policy is put beyond doubt.

The assumption of the number of deaths is made larger than will be likely to occur. If a company employs skilful physicians to examine applicants, and particularly if it guards against fraud by employing men of intelligence and integrity as agents, not only will the number of deaths not exceed the assumed number, but a considerable gain will arise from this source.

If a conservative rate of interest is assumed by the company, and skill and care are exercised in the investment of its funds, the second assumption will also be realized.

To make the average premium abundantly safe against any contingency that may arise, the loading or provision for expenses is made liberal and nothing short of reckless and wasteful management can cause the cost of administration and of securing the business to exceed the loading.

It is evident, therefore, that life insurance is not necessarily attended by mystery or difficulty. For the successful management of a company, common sense and common honesty are the principal requisites.

Having discussed the question of safety, let us now turn to the question of the lowest cost for insurance. As has been said, the three assumptions upon which the calculations rest are conservative, and the actual cost of insurance should be less than the assumed cost, as represented by the premium charged. Therefore, if at the end of the year it is found that too much has been charged for mortality, and too much for the expense of conducting the business, and that the rate of interest earned is larger than that assumed, a deduction is made from the next premium. The larger the deduction the lower the net cost of the insurance to the policyholder. The amount of the dividends will depend upon the excess interest earned, upon the reduced amount of death losses, and the reduced expense of management. Accordingly, that company which selects its risks with the greatest care, at the same time guarding against fraud; that invests its money so as to earn the highest rate of interest, and avoids extravagant expense in managing its business, will return the largest dividends to its policyholders, and thus bring the cost of insurance down to the lowest point. It will at the same time maintain the highest standard of safety. To recapitulate: A death rate lower than the assumed rate results in greater safety and reduced cost; a higher rate of interest than that assumed, provided always, that it is not secured by lowering the standard of investment, results in greater safety and reduced cost; and a wise economy in management brings the rate of expenditure inside the loading, results in safety and reduced cost.

The apology for this somewhat extended elementary discussion is that a false standard of determining the successful management of life insurance has been set up during the last few years. It has resulted in a plentiful crop of evils, and threatens to be attended with more mischievous and dangerous consequences in the future if not checked by popular opinion. It has come to be accepted only too generally that the prosperity of a company is dependent upon its rapid increase in size, and upon the attainment of colossal proportions. So far is this from being true, it is suscep-

tible of demonstration that too rapid growth lowers the standard of security and increases the cost of insurance. The increased cost in some companies would long since have become evident to the public if the practice of annual dividends as opposed to deferred or semi-tontine dividends had been continued. Under usual conditions, the dividends on a policy are likely to increase from year to year. When dividends are paid annually, the policyholder is able to detect the consequences of unsuccessful management by the constantly reducing amount of dividend. But if under the temptation of possible gains he consents to forego his dividends for a period of twenty years, the consequences of extravagant and injudicious management are not likely to come to his attention.

RESULTS FROM TWO VIEWPOINTS.

It is not my purpose to weary you with statistics, but it may not be uninteresting to you to learn what has been accomplished by the managers of companies representative of the two viewpoints before referred to, for the policyholders and their beneficiaries.

Since organization to January 1, 1903, for each \$100 received from policyholders there has been paid to and now held for policyholders, by the

Leading Annual Dividend Company, organized 1845	\$119.00
By the three leading Deferred Dividend, or Tontine Companies, as follows:	
The Company organized 1843.....	111.00
The " " 1845.....	101.00
The " " 1859.....	103.00

The fact that the three last companies referred to received in premiums in the year 1902 a greater amount than the twenty regular companies next to them in size compels the believers in truly mutual life insurance to ponder and revert to Benjamin Franklin, who in his autobiography, referring to the difficulties he encountered in helping people to help themselves, said:

"Look round the habitable earth, how few,
Know their own good, or knowing it, pursue."

Notwithstanding the difference in view point of the managers, the fact remains that in old line life insurance, there have been fewer losses or failures than in any other line of equal magnitude, the record showing only one failure of a mutual company that lived to be ten years old, in a hundred years.

STRENGTH AND SAFETY.

"A life insurance company should be and is the strongest of financial institutions, because of the uniformity of the workings of the law of mortality upon which it is based; because of the fixed scientific principles under which it is conducted, and because it is protected against the chief perils which are a constant menace to banks, trust companies, and other financial enterprises."

The workings of the law of mortality make it safe for a company to insure a man's life when an individual cannot safely insure his own, for if the company should guess wrong on every risk taken, for every one who lives a shorter time there will be one who lives a longer, so that in the end the company has made no mistake; the errors correct each other; but, in the case of the individual, if he makes a wrong guess he has no opportunity to guess again.

Even epidemics have no longer any terror for the company, which has a reasonably large number of lives at risk confined to the healthy portions of the United States, as improved sanitary conditions make the chance of occurrence quite remote, and for the further reason that so small a proportion of the population, although we lead the world, is protected by old line insurance. While the gain in old line insurance in this country in forty years amounts to 6,000 per cent., one of our insurance journals estimated that the amount in force January 1, 1903, amounted to less than \$100 per capita, with less than 5 per cent. of the population carrying policies.

LAW OF COMPENSATION.

The law of compensation obtains in life insurance as in everything else, for while primarily it exists and was called into being through the laudable desire of man to afford protection to his loved ones; if he is fortunate and lives to reach old age, he will find that his old line policy has not only furnished him protection, but it has a value in cash, which in many cases returns all his premiums with compound interest added, the rate of interest depending upon the age of the policy and the method of payment adopted by the insured, for it may be depended upon that, for the man who lives the average lifetime, the larger the premium per thousand paid to an economically managed life insurance company, the less will be the cost of his insurance, and the correspondingly greater rate of interest earned, if he surrenders his insurance for the cash value in his old age.

This is not theory, but a demonstrated fact, supported by thousands of cases of men who have acted wisely in placing their insurance right in the first place, and those men almost unanimously testify to-day that their investment in life insurance premiums has averaged better than any other of equal amount.

Even in those cases where the most desirable policies were not obtained and the cash value not being sufficient to return all payments and interest, the cost of insurance has proven surprisingly low, and there has been bred in the possessor of such protection to his family, or estate, a confidence which all through life has been an important factor in enabling him to reach that end in life which animates all mankind, and thus the investment has been worth more than its cost.

VALUE ATTACHES TO LIFE OF EACH PARTNER.

I am not here to discuss the many plans under which you can buy indemnity, but I wish to say further that, "The distinctive and peculiar value to the firm which attaches to the life of each partner may be protected by policies of life insurance, at a cost amounting in most cases, for a term of years, to the interest on the premiums paid."

BEST COLLATERAL.

A life insurance policy is better collateral than United States bonds in times of panic, for banks will not loan money on, or buy even, United States bonds at such times—they need their funds for possible demands from their depositors, whilst there has never been a period of panic or depression when one of the life insurance companies rejected an application for a loan for any amount within the loan agreement of their policies, and the loan can be secured from the insurance company on more favorable terms than is usual with banks, inasmuch as with some companies the loan note does not require payment of the loan until maturity of policy, if interest is paid and the policy continued in force, although permitting loan to be paid off at any time.

A single premium policy for a man of 35 will cost less than half its face; the loan value of that policy at once would be over 91 per cent. of its cost, and the dividend declared yearly would help to pay interest on the loan, and in event of death the policy would cancel the loan and yield an amount 109 per cent. greater than its cost.

In ten years the cash or loan value of such a policy would be 7 per cent. greater than its cost and would have yielded probable dividends of $1\frac{1}{2}$ per cent. to $1\frac{3}{4}$ per cent. per annum, in the meantime.

The cash and loan value of the policy increases each year after the second, and the cost decreases through the annual dividends. United States bonds would cost more than their face, the net income from same being little more than from the single payment policy. The investment in the bonds would decrease in value each year as their maturity approaches; at maturity re-investment of the proceeds would be necessary at probably lower rate of interest.

In contrast the single payment policy creates an estate double the amount of the investment, if death occurs, which may be payable in instalments, relieving the beneficiary, if for her benefit, of all anxiety as to investing the proceeds, and guaranteeing her 3 per cent. interest, with dividends for any excess earnings of the company over 3 per cent. that may be apportioned. Should the holder of the policy live, he will receive in addition to the annual dividends in cash a guaranteed increase in his investment, which in twenty years amounts to 29 plus per cent., and in forty years to 76 plus per cent.

Gentlemen, I thank you for this opportunity to address you on this subject, and in closing let me leave with you this sentiment of Emerson's:

"Truth is the summit of being—justice the application of it to affairs. It is the privilege of truth to make itself believed. A healthy soul stands united with the just and the true, as the magnet arranges itself with the pole. The natural measure of character is the resistance of circumstances."

The address of Mr. Henry C. Nelson, of the Sherwin-Williams Co., on "A System of Bookkeeping for Country Merchants," will appear in a later issue.

Louisville Credit Men's Association.

The opening meeting of the season, on October 27th, was made the occasion of a reception to Assistant Secretary Stockwell, who is making a tour through Kentucky. At six o'clock Mr. Stockwell met the officers and directors of the Louisville branch at dinner, and at 8 o'clock a smoker was held at the Galt House, with a large attendance. Genuine Kentucky hospitality abounded, of a character fully up to the experiences of Mariager *et al.*, of New York, when they attended the Louisville Convention in 1902.

Mr. Stockwell was the principal speaker, and took for his subject "The Power of Organization;" his remarks in part were as follows:

The power of organization is written on the history of the world. Past ages, as well as the present century, have come under its influence. It permitted "Liberty" to be written on the banner of Moses; it caused an Asiatic army to halt at the Cliff of Thermopylae, it scatter the seeds of Christianity which made it possible for the evergreen of time to wave in memoriam, and for *Gloria in Excelsis* to become the song of the civilized world; it caused the defeat of the Spanish Armada, and made the grandest document the world has ever known, the Constitution of the United States.

The organized efforts of commerce have for years been written upon the commercial ship of State, and this is applicable to nations of Europe, as well as to our own country. One of the latest and the most unique of all business organizations of this character is the National Association of Credit Men, composed of over three hundred different lines of business, with nearly four thousand eight hundred members, and representing a business capital of nearly a billion and a half of dollars. Is it not reasonable to assume that such a vast membership, such an immense capitalization and such varied industries have almost untold power, and if rightly used recommend themselves to the business world.

Feeling assured of an affirmative answer, then may I ask if such an institution cannot and does not wield an influence for good in framing wise and righteous laws for the betterment and upbuilding of our commercial life?

As an organization we feel justly proud of our work in the past in the part we have taken in bringing about legislative enactment in nineteen States and one Territory to prohibit the sale of a stock of merchandise in bulk without notice to creditors. No sane man will for one moment contend that you can legislate honesty into the breast of any human being. Example and persuasion may and oftentimes does this, but legislation, never. As an association, and as members thereof, we believe and maintain that constitutional laws can be and have been enacted as protection against a dishonest debtor, and it is the purpose of the association, through its membership, to ask at the hands of legislators in other States of the Union a law similar in character to those already enacted in other States.

It is absolutely necessary before a legislative body is approached for bulk legislation that the retailers of a State fully understand and appreciate a law of this character; that it is not detrimental to their interests; that it in nowise reflects upon the character or integrity of an honest dealer in merchandise; but, on the contrary, is an absolute benefit to the honest man who is desirous of obtaining a fair profit on a sale of goods rather than a destruction of profit by reason of dishonest sell-outs in one's own community, which throw goods on the market to be sold for less than cost price. The dealer in general merchandise, or in any special kind or class of merchandise, who secretly or under cover of night disposes of the contents of his establishment, pockets the proceeds and departs for locality unknown, is the bane of an honest merchant in any State or in any community. The demoralization of trade, the retailer, as well as the wholesaler, should seek to eliminate, that the moral atmosphere of business may become the more healthy and fit to live in, and laws such as are referred to in other States is one of the valuable and important steps to a higher standard in commercial transactions. A law which strikes directly against dishonest dealings never has and never will affect the business of an honest man. And to this end the manufacturer, the wholesaler, the jobber and the retailer must stand together on one common platform for a law which protects the interests of each and all.

Is the State of Kentucky in line for work of this character? If not, why not? If such a law is good for Indiana and Tennessee, is not the time ripe for a similar law in your own State? If you answer yes, are you ready to put your shoulder to the wheel? Are you ready to "take hold and help lift?"

A law of this character is a matter of business. It's not a question of politics. Politics should never enter into questions of this character. A committee to whom such a bill is referred should, at the proper time, be visited by a delegation of *business men*. Legislators desire to see and hear men who are interested in any measure referred to them, and it should

be business men who appear before a legislative committee and not a paid lawyer, as has been the case on many occasions in the past under similar circumstances. I do not wish to be understood as underrating the value of an attorney's service, for I have a high regard for the gentlemen in that profession, but may I emphasize the fact that if business men desire favors at the hands of a legislative body it's wisdom and good sense that they appear in person to plead their cause and distinctly state their reasons for what they believe to be proper, right and just.

It is a wise saying that in union there is strength. United Effort has worked wonders and always will. There is not much power in a drop of water or in a grain of sand, but when drops of water unite in sufficient number they have the capacity of producing a mighty cataract and a roaring torrent. Grains of sand in collective numbers form the barriers of great oceans, and likewise are prime factors in the building world.

"Small duties grow to mighty deeds,
Small words to thoughts of power,
Great forests spring from little seeds,
As moments make the hour.
Life howe'er it lowly grows,
The essence to it given,
Like odor from the breathing rose,
Floats evermore to Heaven."

Milwaukee Association of Credit Men.

A meeting of this Association was held on the evening of October 21st, preceded by a supper at 6.30 o'clock, at which there were seventy members present.

Congressman William Stafford delivered an extremely interesting address on "Asset Currency," and was loudly applauded.

It was voted to hold a meeting in November, and invite the President, Vice-President and Secretary-Treasurer of the National Association to be present.

The Philadelphia Credit Men's Association.

The Seventh Annual meeting of this Association was held on the evening of October 28th, and was preceded by a dinner at the Bullitt Building with the largest attendance of any gathering under the auspices of this branch.

S. W. Severson, Secretary of the Association, in his report, suggested indorsement of the several active movements recently inaugurated for increasing Philadelphia's commerce.

"We occupy a unique position," he said, "and compete with no other organization, but hold out the fraternal hand to all trade organizations whose purpose is to promote the commercial prosperity of this community. To the Trades League we say, 'You have done good work; do not grow weary; go on to greater achievement.' To the new organization, the Merchants and Travelers' Association, we say, 'Godspeed! Advertise our city, bring buyers here, increase the volume of trade, open up new avenues leading to Philadelphia, give us a permanent thirty-five foot channel, and let Wabash in or any other competing railway or steamship line.'

"Then when the full tide of trade is flowing this way this Association, together with the organized work of the National Association of Credit Men, will become, as it were, a great filtering plant, through which this stream of commerce will find its way to our various business houses. We must see that this stream is kept clear and limpid, and that it is not polluted

by fraud or discolored by dishonesty. This is our aim and destiny, and our earnest co-operation and generous support will assure success.

After the unanimous adoption of the report, W. Oliver Craig, of the Fourth Street National Bank, offered the following resolution, which also was unanimously adopted, and which he prefaced by saying: "I do not think any greater movement toward a greater Philadelphia was ever started in this city."

Whereas, There has recently been established an organization looking forward to our commercial progress, to wit, advancement of the trade and commerce of the City of Philadelphia,

Resolved, That we heartily tender to the Merchants' and Travelers' Association our hearty co-operation in its efforts to obtain a deep-water channel and all other measures that may advance the commercial interests of our city.

Mayor Weaver spoke briefly on the "Mistakes of Credit Men."

The keynote of the enthusiasm which prevailed was struck by the Mayor at the close of his address when he said:

"I appeal to your Association and its members and everybody who ought to be a member to join me and the rest of Philadelphia in our efforts to get a Greater Philadelphia."

The Mayor was applauded to the echo and his utterance was reiterated and amplified by the speakers that followed him in burning words of hope.

JOHN FIELD MAKES ADDRESS.

There followed loud calls for John Field. When the veteran merchant arose to speak he received an ovation. He told his hearers of many things that had contributed to Philadelphia's falling back in commercial activity. He said:

We should never have parted with our system of canals. The people controlled these canals and they should never have let them fall from their possession. The Legislature at that time in its legislation sold out the people's interests to the railroads.

At one time this city owned and controlled a large block of stock in a well-known railroad. That railroad is one of the greatest and best managed in the whole world, and, while I do not desire to say a word against it, I will say that when the Pennsylvania Railroad changed its terminal from the west bank of the Delaware river to Jersey City it drove a nail in the coffin of commerce in this city.

Mr. Field gave his attention briefly to freight charges, saying:

One thing more that has held Philadelphia back is the cost of shipping commodities. Freight can be shipped through from New York to Chicago cheaper than from this city. This city is 100 miles nearer to Chicago than New York, and yet this condition exists. I know of one merchant that in order to get his freight shipped to Chicago cheaper than if he sent it from this city, sent it first to New York.

Continuing, Mr. Field said that if the fight for a new Philadelphia is to be won there must be no wavering. "We don't want to yield one iota," he declared. "We must not be satisfied until the time comes when a government or a firm wishing a vessel built will have to come here. So with locomotives, hats or any article of commerce, and there must be no pausing until the good old Quaker city of Philadelphia shall be first choice for all of these."

Colonel Potter in his speech paid a tribute to the city and State Administrations, and then, hitting straight from the shoulder, told the public that the retrograde position of Philadelphia was due largely to themselves.

In looking over the votes cast at a recent election in one of the wards I saw there was only about fifty per cent. of the total vote cast. Why did the stay-at-homes not come? It's the stay-at-homes that make us what we are. Are you a stay-at-home?

If Philadelphia is to go ahead we must be up and doing. The chief trouble is that after a thing is accomplished we are too prone to sit down and say: "Now, we've got it all right, so I'll rest awhile and let some one else push it along." That sort of thing has got to stop. We all get too tired. Let us wake up.

Frank S. Evans, Chairman of the Committee on Legislation, spoke on the necessity of a bulk sales law in this State to "restrain the debtors who decamp in the night." He said that the law was on the statutes of nineteen States and one Territory, and was needed in Pennsylvania. He also advocated the passage of a Federal law, making the sending of false statements through the mails for the purpose of obtaining credit a crime. He added that there should be a uniform exemption law throughout the country.

"Some States put a premium on fraud," he said, "and in others the laws are wholly inadequate. In Texas a man can claim exemption for a \$5,000,000 house, while in this State every man is allowed \$300."

The annual election for the officers of the association resulted as follows: President, Clayton F. Shoemaker; vice-president, Frank S. Evans; treasurer, E. H. D. Fraley; secretary, S. W. Severson. Directors to serve two years: John Field, J. A. McKee, Henry Freund, Frank D. Sweeten, D. G. Endy, Harry G. Knight.

Rochester Credit Men's Association.

The first meeting of the season of 1903-1904 was held in the rooms of the Chamber of Commerce Thursday, October 8, 1903.

The business session was devoted to the reports of the delegates who attended the St. Louis Convention, and a discussion of the proposed increase in per capita dues, a movement to which the Rochester Association expressed its opposition.

The election of officers for the year resulted as follows:

President, Joseph Farley; Vice-President, J. H. Lempert; Secretary and Treasurer, Lee Richmond; members of the Executive Committee, James Farley, W. E. Moore and Leon A. Lewis.

As is customary at all meetings of this progressive association, a paper on a stated subject was read, in this instance being a dissertation on "Trusts and Monopolies," by Attorney J. P. Varnum.

TRUSTS AND MONOPOLIES.

"Before taking up the question of trusts and monopolies I wish to state to the Rochester Credit Men's Association that I have no remedy to offer for the evils about which I am to speak. No recognized plan for relief has yet been discovered, I believe, but as business men you are interested in questions of such grave importance in the business world, and discussion and examination by business men are the only means through which a solution can be reached.

"The term trust has come to be applied to corporations that carry on a private business, and not to corporations of a quasi public character. We do not speak of railroads, of electric lighting companies or of steamship companies as trusts. But the Standard Oil Company or the American Tobacco Company are called trusts. I see no reason in this connection why trades' unions should not be classed among the trusts. They seek to create a monopoly of labor and to keep its control in the hands of a few.

They are organized, not for the benefit of other classes of society, but for their own private ends, the same as any other trust.

"The state of the popular mind against the trust at the present time is in evidence everywhere. There has not been a large political convention in recent years that has not issued a platform of some kind against the trust. The problem of how the evils of the trust may be overcome is not easy of solution, but the majority seem to be united in the feeling that the trust is bad. All trusts are thought to be hostile to the institutions of our country, and are popularly called monopolies.

"This feeling against the trusts is not confined to the lower or uneducated classes. Able and thoughtful men of affairs everywhere have declared against them and their practices. Yet, in order to remove the evil, we have to contend with a system that involves both the social and the economic life of this country. In Rhode Island the Republican party has nominated a man for Governor who is at the head of a trust, on a platform that declares against the trusts.

"What is feared by the public is that the trust will use its great commercial and political powers, backed up by its immense resources of capital, to coerce and force its own selfish ends. Any trust that kills competition is a monopoly. Trusts that seek to control the necessities of life are most dangerous of all. Attorney-General Knox says that they are not only a crime against common law, but a crime against common rights.

"One year ago, you will remember, the action of the coal trust and how the final burden of the concessions that the coal monopoly had to make to labor was laid on the shoulders of the public. So in many other instances it might be pointed out how this same result has followed the conflicts of the labor trust and the capital trust. Labor and capital are both coming to work more together, and the public has to stand the bill. In a recent number of "*McClure's Magazine*" you will see an account of how the unions and the contractors combined against the public. The contractors pooled their bids. Building jobs that were open for bids were discussed by the Contractors' Association. Jobs that were really worth \$25,000 were decided to be worth \$42,000, and the contractors gave one man the right to make the lowest bid of \$42,000 and take the job, while the others put in bids very much higher than that amount.

"When one contractor tried to fight this system of pooling bids and came out against the association, it called in the walking delegate who had charge of the men who were working for this man, and he called all of his men out on strike. As a result the union has killed his business.

"In conclusion, I will say again that I have no remedy to offer. It is for you business men to study these things and to solve the question. You have the facts first hand. The student and the professor of economics gets his knowledge of the situation from you. And the problem can only be solved by better knowledge of the situation and by more study of the conditions that have brought about these results."

St. Louis Credit Men's Association.

The following announcements are made by the St. Louis Association:

BANKERS' MAGAZINES.

Various banking journals having published the circular of this Association, addressed to members at the time Mr. Hallock's book was sent out, the attention of bankers, prominent merchants and trades bodies in other cities has been directed to the movement to clear country checks, and letters are received almost daily for information.

JOINT COMMITTEE TO CONFER WITH BANKERS.

In accordance with a resolution adopted at the last meeting of this Association, the Business Men's League and Manufacturers' Association have each been asked to appoint a committee of three, to act in unison with a like committee from our body, and whose duty it will be to enlist the interest of St. Louis bankers and get their *consideration* of Mr. Hallock's plan.

President Kent appointed:

Mr. E. G. Scudder, Chairman, of Scudder-Gale Grocer Co.
Mr. Homer P. Knapp, of Butler Bros.
Mr. Louis Renard, of Trorlicht, Duncker & Renard Carpet Co.

NEXT MEETING.

The *next meeting* of this Association will be addressed by Mr. Wm. S. Curtis, Dean of the St. Louis Law School (W. U.), on "What is an Account Stated, and what facts constitute an Account Stated?"

UNINSURED CUSTOMERS.

Upon receipt of request from a member the following letter will be sent with our pamphlet on fire insurance to such customers as do not carry insurance for their own and your protection. Members will be charged only actual cost of postage and pamphlet.

Mr.

The accompanying booklet on "*Fire Insurance an Essential to Credit*" is presented with the compliments of our Association and in the belief that its readers may derive pleasure and profit from it.

Among the purposes of this Association is the protection and education of its members—to aid by precept, example and counsel, in removing causes which lead to financial failure—to establish closer ties between business men—not only those who are members, but between them and their customers.

The necessity of carrying fire insurance is everywhere recognized, in fact many firms are unwilling to sell a merchant who carries no fire insurance, while others restrict his line of credit—and yet some business men, for one cause or another, do not afford themselves protection of this kind. We have collected in this booklet the opinions of a score of prominent and successful credit managers, and are sending it, hoping that the able arguments presented may result in good to the recipient.

Yours respectfully,

A. H. FOOTE, Secretary.

A MISNOMER! TAKE NOTICE!

An individual located at Oklahoma City, Okla., and persistently soliciting collections from members of the National Association of Credit Men and its branches has, for obvious reasons, adopted the title, McConnell's Southwest Credit Men's Association; he has *no connection whatever* with our national body, and no authority has been given to use the name adopted.

A. H. FOOTE,
Secretary.

H. V. KENT,
President.

F. SHAD
Denver
Miner, M
on Cran
Kent, K
Francis
Miller, Gil
McManus
S. Gray,
Truitt, T
Haleles,
Bush, B
Smith, Tu
Higman,
Good, D
Bradbur
W. Co
W. Lint
Pike, D
S. Sprag
Hopkins
Young,
thenbe
A. Kr
g. Ma
S. Dick
Faget, C
W. Bus
Page
McC
J.
E. P.
Biggs,
sh. N.
Ford
Richard
h. N.
Carrie
Werbe
Boe,
Robert
S. Ey
Law,

STANDING COMMITTEES, 1903-1904.

Legislative Committee.

W. Standart, Chairman, The C. S. Morey Mercantile Co., Denver, Col.
 Miller, Milner & Kettig Co., Birmingham, Ala.
 Crandall, California Hardware Co., Los Angeles.
 Kent, Kent Correspondence School for Credit Men, San Francisco, Cal.
 Gilbert & Bennett Mfg. Co., Georgetown, Conn.
 Repauno Chemical Co., Wilmington, Del.
 Gray, The S. B. Hubbard Co., Jacksonville, Fla.
 Truitt, Truitt-Silvery Hat Co., Atlanta, Ga.
 Steele-Weddes Co., Chicago, Ill.
 Mackey-Nisbet Co., Evansville, Ind.
 Turner Hardware Co., Muskogee, Ind. Terry.
 Higman & Skinner, Sioux City, Iowa.
 D. E. Good & Co., Atchison, Kas.
 Bradbury, Carter Dry Goods Co., Louisville, Ky.
 W. Cox, A. F. Cox & Son, Portland, Maine.
 Linthicum, Linthicum Rubber Co., Baltimore, Md.
 Dodge, Haley & Co., Boston, Mass.
 Sprague, Sprague Publishing Co., Detroit, Mich.
 Hopkins, Janney, Semple, Hill & Co., Minneapolis, Minn.
 Young, Young, Finch & McConville, St. Paul, Minn.
 Rothenberg, Mark, Rothenberg & Co., Meridian, Miss.
 A. Krauthoff, Karnes, New & Krauthoff, Kansas City, Mo.
 Dickey, Letts-Spencer Grocer Co., St. Joseph, Mo.
 Charter Oak Stove and Range Co., St. Louis.
 Russell, M. E. Smith & Co., Omaha, Neb.
 Page, Page Belting Co., Concord, N. H.
 McCormick, Johnson & Johnson, New Brunswick, N. J.
 E. Preisch, Haines & Co., Buffalo, N. Y.
 Hops, Actuary, Hat Trade Credit Association, New York, N. Y.
 Ford, Lewis P. Ross, Rochester, N. Y.
 Richardson, Jr., R. P. Richardson, Jr., & Co., Reidsville, N. C.
 Currie, Grand Forks Merc. Co., Grand Forks, N. D.
 Silberberg, The Feder Silberberg Co., Cincinnati, O.
 Wm. Edwards & Co., Cleveland, O.
 Roberts, Lang & Co., Portland, Ore.
 Evans, Strawbridge & Clothier, Philadelphia, Pa.
 Shaw, Curry & Shaw, Pittsburg, Pa.

C. S. Sisson, C. S. Sisson & Co., Providence, R. I.
 Wm. Koenig, Jr., Andrew Kuehn Co., Sioux Falls, S. D.
 W. I. Moody, Orgill Bros., Memphis, Tenn.
 W. D. Fuller, J. S. Reeves & Co., Nashville, Tenn.
 Wm. Monnig, Monnig Dry Goods Co., Ft. Worth, Tex.
 W. N. Foster, A. S. White & Co., Lynchburg, Va.
 Chas. S. Goldsmith, Schwabacher Bros. & Co., Seattle, Wash.
 F. T. Cartwright, Fostoria Glass Co., Moundsville, W. Va.
 James McLeod, Roundy, Peckham & Co., Milwaukee, Wis.

Membership Committee.

Philip Present, Chairman, Rochester, N. Y.
 J. Fred Farber, Chase Bros., Rochester, N. Y.
 John W. Fulreader, James Cunningham, Son & Co., Rochester, N. Y.
 J. H. Lempert, Solomon Bros. & Lempert, Rochester, N. Y.
 Th. D. Steinhausen, Bolton Shoe Co., Rochester, N. Y.

Improvement of Mercantile Agency Service Committee.

James H. Ritter, Chairman, Biddle Hardware Co., Philadelphia.
 Chas. G. Rapp, Young, Smyth, Field Co., Philadelphia, Pa.
 Jos. S. Potter, Folwell Bro. & Co., Inc., Philadelphia, Pa.
 H. S. Valentine, Smith, Kline & French Co., Philadelphia, Pa.
 Simon Kirschbaum, Ab. Kirschbaum & Co., Philadelphia, Pa.

Business Literature Committee.

E. L. Ide, Chairman, Farrand, Williams & Clark, Detroit, Mich.
 Walter G. Seely, Jr., Detroit Stove Works, Detroit, Mich.
 Edward Bland, Ireland & Matthews Mfg. Co., Detroit, Mich.
 Chas. A. Simon, Acme White Lead & Color Works, Detroit, Mich.
 A. H. Krum, Detroit Rubber Co., Detroit, Mich.

Credit Department Methods Committee.

H. H. Nance, Chairman, Richardson Bros. Shoe Co., Nashville, Tenn.
 R. T. Hopkins, Phillips & Buttorf Mfg. Co., Nashville, Tenn.
 H. L. Sperry, Sperry, Handly & Walsh Hat Co., Nashville, Tenn.
 A. H. Meyer, L. Jonas & Co., Nashville, Tenn.
 J. L. McWhorter, Montgomery-Moore Mfg. Co., Nashville, Tenn.

Directory of Officers of the National Association of Credit Men, and Affiliated Branches.

OFFICERS

OF THE

NATIONAL ASSOCIATION OF CREDIT MEN.

1903-1904.

President—J. Harry Tregoe, Vice-President The John A. Carroll Shoe Company, Baltimore, Md.
Vice-President—Richard Hanlon, Hanlon Millinery Co., St. Louis, Mo.
Secretary-Treasurer—Wm. A. Prendergast, New York.
Assistant Secretary—Francis J. Stockwell, St. Louis, Mo.

BOARD OF DIRECTORS.

F. M. Gettys (American Clothing Company), Louisville, Ky.
 Chas. F. Meek (National Lead Company) New York.
 W. A. Given, Pittsburgh Dry Goods Company, Pittsburgh, Pa.
 E. A. Young (Finch, Young & McConville), St. Paul, Minn.
 F. H. McAdow (Staver Carriage Company), Chicago, Ill.
 Gustav Brenner (L. & G. Brenner), San Francisco, Cal.
 George H. Graves (Walworth Mfg. Company), Boston, Mass.
 A. H. Foote, Box 575, St. Louis, Mo.
 Chas. N. Robinson, Byrne & Hammer D. G. Co., Omaha, Neb.
 Chas. D. Griffith, The C. D. Griffith Shoe Co., Denver, Col.
 Robert McF. Smith, National Lead Co., Cincinnati, O.

EX-OFFICIO.

President—J. Harry Tregoe.
Vice-President—Richard Hanlon.
Secretary-Treasurer—Wm. A. Prendergast.

STATE VICE-PRESIDENTS, 1903-04.

ALABAMA—A. D. Bellamy (Florence Wagon Works), Florence.
 CALIFORNIA—H. S. Kirk (Kirk, Geary & Co.), Sacramento.
 COLORADO—Thos. Keely (First National Bank), Denver.
 CONNECTICUT—C. B. Dolge (The Embalmers' Supply Co.), Westport.
 DELAWARE—W. J. McManus (Repauno Chemical Co.), Wilmington.
 FLORIDA—Frank Bentley (Bentley-Gray Dry Goods Co.), Tampa.
 GEORGIA—D. H. Kirkland (J. K. Orr Shoe Co.), Atlanta.
 ILLINOIS—B. F. Harber (Harber Bros. Co.), Bloomington.
 INDIANA—Henry A. Jeffries (Kingan & Co.), Indianapolis.
 INDIAN TERRITORY—T. P. Smith (Turner Hardware Co.), Muskogee.
 IOWA—S. H. Lafferty (Red Jacket Mfg. Co.), Davenport.
 KANSAS—W. C. Chaves (Symms Grocer Co.), Atchison.
 KENTUCKY—Sam'l Ouerbacker (Ouerbacker, Gilmore Co.), Louisville.
 LOUISIANA—Albert H. Kaiser (Picard, Kaiser & Co.), New Orleans.

MAINE—Edward W. Cox (A. F. Cox & Son), Portland.
 MARYLAND—Frank J. La Motte (Chesapeake Shoe Co.), Baltimore.
 MASSACHUSETTS—Herbert E. Reid (Hathaway, Soule & Harrington Co.), Boston.
 MICHIGAN—Edmund Hobbs (Detroit Heating and Lighting Co.), Detroit.
 MINNESOTA—A. E. Clerihew (Forman, Ford & Co.), Minneapolis.
 MISSISSIPPI—Sam'l Rothenberg (Marks, Rothenberg & Co.), Meridian.
 MISSOURI—F. W. Yale (John S. Brittain D. G. Co.), St. Joseph.
 NEBRASKA—F. B. Hochstetler (Wright & Wheeler my Co.), Omaha.
 NEW HAMPSHIRE—B. F. Strand (C. B. Lancaster Shoe Co.), Keene.
 NEW JERSEY—Isaac F. Roe (Roe & Conover), Newark, N. J.
 NEW YORK—Daniel B. Murphy (Burke, Fin Simons, Hone & Co.), Rochester.
 NO. CAROLINA—Wm. C. Harris (Robt. Harris & Bro.), Reidsville.
 NO. DAKOTA—W. A. Currie (Grand Forks Merc. Co.), Grand Forks.
 OHIO—W. E. Rice (Wm. Edwards & Co.), Cleveland.
 OREGON—W. H. Chapin (W. B. Glafke Co.), Portland.
 PENNSYLVANIA—J. A. M. Kee (Merchant & Co.), Philadelphia.
 RHODE ISLAND—C. S. Sisson (C. S. Sisson & Co.), Providence.
 SOUTH DAKOTA—Wm. Koenig, Jr. (Andrew Kuehn Co.), Sioux Falls.
 TENNESSEE—Howard Mitchell (Chattanooga Plow Co.), Chattanooga.
 TEXAS—F. J. Gannon, Cashier (American National Bank), Dallas.
 VIRGINIA—W. H. Miller (Lynchburg Shoe Co.), Lynchburg.
 WASHINGTON—F. W. Baker (Seattle Hardware Co.), Seattle.
 WEST VIRGINIA—F. T. Cartwright (Foster's Glass Co.), Moundsville.
 WISCONSIN—R. J. Morawetz (The Morawetz Co.), Milwaukee.

BRANCH ASSOCIATIONS.

ATLANTA, GA.—Atlanta Credit Men's Association. President, E. F. Morgan, National Furniture Co.; Secretary, J. C. Clark, 912 English American Bldg.
 BALTIMORE, MD.—The Credit Men's Association of Baltimore. President, J. Ross Diggs, Diggs-Currin & Co., Inc.; Secretary, J. Hustl Furnell, The Lloyd L. Jackson Co.
 BOSTON, MASS.—Boston Credit Men's Association. President, John R. Ainsley, Brown, Durrell & Co.; Secretary, Chas. L. Bird, P. O. Box 5112.
 BUFFALO, N. Y.—Buffalo Credit Men's Association. President, Alfred H. Burt, Burt & Sindle; Secretary, J. J. Dophin, Iroquois Rubber Co.
 CHICAGO, ILL.—The Chicago Credit Men's Association. President, N. M. Tribou, Longley, Low & Alexander; Secretary, John Griggs, No. 218 La Salle St.
 CINCINNATI, O.—The Cincinnati Credit Men's Association. President, A. W. Sommerfield, A. & A. W. Sommerfield & Co.; Assistant Secretary, Henry Bentley, 202 Carlisle Bldg.
 CLEVELAND, O.—Cleveland Credit Men's Association. President, W. F. Lyon, Cady-Iverson Shoe Co.; Secretary, J. L. Matchett, The H. A. Boesger Cigar Co.

COLUMBUS, O.—Columbus Credit Men's Association. President, Geo. T. Macauley, G. T. Macauley & Co.; Secretary, J. W. Howard, The Fidelity and Casualty Company.

DENVER, CO.—The Denver Credit Men's Association. President, C. F. Freeland, Colorado Fuel & Iron Co.; Secretary, W. C. Hall, Spratlen & Anderson.

DETROIT, MICH.—Detroit Credit Men's Association. President, Geo. R. Treble, Lee & Cady; Secretary, W. S. Campbell, No. 506 Wayne County Bank Bldg.

EVANSVILLE, IND.—Evansville Credit Men's Association. President, J. R. Goodwin, Goodwin Clothing Co.; Secretary, Edward Kiechle, Southern Stove Works.

GRAND RAPIDS, MICH.—Grand Rapids Credit Men's Association. President, L. M. Hutchins, Hazeltine & Perkins Drug Co.; Secretary, G. W. Rouse, Worden Grocer Co.

KANSAS CITY, MO.—Kansas City Association of Credit Men. President, John L. Powell, Goldstand-Powell Hat Co.; Secretary, Edwin A. Krauthoff, Karnes, New & Krauthoff.

LINCOLN, NEB.—Lincoln Credit Men's Association. President, P. L. Hall, Columbia National Bank; Secretary, J. Frank Barr, Box 954.

LOS ANGELES, CAL.—Los Angeles Credit Men's Association. President, W. H. Preston, Stetson-Preston Co.; Secretary, W. C. Mushet, 393 Bulard Bldg.

LOUISVILLE, KY.—Louisville Credit Men's Association. President, F. M. Gettys, American Clothing Co.; Secretary, Chas. W. Chambers, 206 Union Nat. Bank Bldg.

LYNCHBURG, VA.—Lynchburg Credit Men's Association. President, T. M. Terry, Craddock-Terry Co.; Secretary, John L. Caskie, Jackson Bros & Watts Co.

MEMPHIS, TENN.—The Memphis Credit Men's Association. President, S. L. Lee, Lee & Morton; Secretary, J. C. James, 33 Madison St.

MILWAUKEE, WIS.—The Milwaukee Association of Credit Men. President, H. M. Battin, Standard Oil Co.; Secretary, Chas. J. Lund, 696 Wells Bldg.

MINNEAPOLIS, MINN.—Minneapolis Credit Men's Association. President, W. S. Hughes, Dodson, Fisher, Brockmann Co.; Secretary, M. C. Badger, Patterson & Stevenson Co.

NASHVILLE, TENN.—Nashville Credit Men's Association. President, H. H. Nance, Richardson Bros. Shoe Co.; Secretary, Geo. M. Thomas, American Building.

NEW ORLEANS, LA.—New Orleans Credit Men's Association. President, A. H. Kaiser (Picard, Kaiser & Co.); Secretary, T. J. Bartlette, B. J. Wolf & Sons.

NEW YORK, N. Y.—The New York Credit Men's Association. President, Chas. E. Menk, National Lead Company; Secretary, H. J. Sayers, No. 320 Broadway.

OMAHA, NEB.—The Omaha Association of Credit Men. President, J. H. Taylor, F. P. Kirkendall & Co.; Secretary, E. S. Rohr, 307 Merchants' National Bank.

PHILADELPHIA, PA.—The Philadelphia Credit Men's Association. President, C. F. Shoemaker, Shoemaker & Busch; Secretary, S. W. Severson, Room 702 No. 100 Chestnut St.

PITTSBURGH, PA.—Pittsburgh Credit Men's Association. President, W. A. Given, The Pittsburgh Dry Goods Co.; Secretary, W. L. Danahey, Monongahela Bank Bldg.

PORTLAND, ORE.—Portland Association of Credit Men. President, W. O. Munsell, Moline-Bain Co.; Secretary, W. L. Abrams, Allen & Lewis.

ROCHESTER, N. Y.—The Rochester Credit Men's Association. President, Jos. Farley, E. P. Reed & Co.; Secretary, Edward Weter, Yawman & Trbe Mfg. Co.

ST. JOSEPH, MO.—St. Joseph Credit Men's Association. President, F. W. Yale, John S. Brittain Dry Goods Co.; Secretary, C. S. Dickey, Box 1533.

ST. LOUIS, MO.—The St. Louis Credit Men's Association. President, H. V. Kent, Kent & Purdy Paint Co.; Secretary, A. H. Foote, P. O. Box No. 575.

ST. PAUL, MINN.—St. Paul Credit Men's Association. President, Albert Scheffer, Scheffer & Rossum; Secretary, H. W. Parker, Merchants' National Bank.

SAN DIEGO, CAL.—The Credit Association of San Diego. President, Simon Levi, 400 Fifth Street; Secretary, Sam Ferry Smith, 1047 Fifth Street.

SAN FRANCISCO, CAL.—San Francisco Credit Men's Association. President, G. Brenner, L. & G. Brenner; Secretary, Ben Armer, No. 535 Parrott Bldg.

SEATTLE, WASH.—Credit Department, Merchant's Association. President, Jas. S. Goldsmith, Schwabacher Bros & Co.; I. H. Jennings, Asst. Secty., 413 Bailey Bldg.

SIOUX CITY, IA.—Sioux City Bureau of Credits. President, C. P. Kilborne, International Harvester Co.; Secretary, Geo. W. Scott, Crane Co.

WICHITA, KAN.—Wichita Credit Men's Association. President, I. H. House, Lehmann-Hirgins-Gro. Co.; Secretary, Frank Redfield, C. E. Potts Drug Co.

YOUNGSTOWN, O.—Youngstown Credit Men's Association. President, T. N. Suit, The Youngstown Dry Goods Co.; Secretary, W. R. Packadr, The John H. Fitch Co.